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Farm and Foreign  
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Agency

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DDOD-147

## NOTICE TO MILK SUPPLIERS

### **SUBJECT: MEDIUM HEAT, HIGH HEAT, AND FORTIFIED NONFAT DRY MILK (NDM) FOR FOREIGN FOOD ASSISTANCE PROGRAMS**

Based on the projected foreign food assistance program needs, the Commodity Credit Corporation (CCC) seeks to increase its supply of fortified low heat, as well as medium and high heat NDM. We are initiating new procedures to ensure delivery of adequate NDM stocks to meet these needs. We presently project a need for up to 166,000 metric tons (approximately 365.9 million pounds) of NDM for foreign food assistance programs. This includes 130,000 metric tons of fortified NDM, 33,000 metric tons of medium heat NDM, and 3,000 metric tons of high heat NDM.

CCC will continue to purchase surplus NDM stocks at announced prices under the Milk Price Support Program (MPSP) in accordance with the terms and conditions of Announcement Dairy 5. To meet program needs, we will seek dairy processors to enter into an additional contract for services to further process NDM at the time of production for CCC ownership. The cost for further processing will be carried out under Section 416(b) of the Agricultural Act of 1949, which is a product disposition statute. Therefore, any price adjustment for further processing NDM paid under Section 416(b) authorities will not be considered a butter/powder tilt under the MPSP.

CCC will invite offers from suppliers to fortify low heat, or provide medium and high heat nonfat dry milk through a service agreement to further process NDM under Section 416(b), as outlined above. Suppliers that enter into this agreement will receive processing fees above the MPSP announced purchase price, which is \$0.80 per pound.

Please contact Steve Miteff at 816-926-6401 or by e-mail [spmiteff@kcc.usda.gov](mailto:spmiteff@kcc.usda.gov) if you have any questions or comments in this regard.

We appreciate your past cooperation and look forward to your continued assistance.

George W. Aldaya  
Director